

Bank Notes

1929-1933

REPUBLIC of ARGENTINE

Central Bank

BANK NOTES

1929-1933

#672

672

Bank Notes

1929-1933

6/92

AMERICAN BANK NOTE COMPANY.

SUBJECT

Proposed Argentine Plant

C.P.R.
FEB - 7 1929

Segunda via

DATE January 14th, 1929

FROM
Rio de Janeiro
TO
New York

In his letter of December 24th Dr. Miguel
Piñeiro Serondo states (I translate)-

As I had announced, the new President of the
Banco Hipotecario is Sr. Nereo Crovetto, but
no Board of Directors has been appointed to
date because Irigoyen has not bothered to do
so.

The result is that for four months not one
petition has been despatched by the Bank. Happy
South America!

I enclose a counterfeit 10 peso note which Dr.
Piñeiro was good enough to send me. In my letter of
August 28th, I referred to the appearance of the counter-
feit which you may like to have.

I would here acknowledge receipt of your let-
ters of September 18th, "Counterfeits - Argentina", and
October 30th, "Proposed Argentine Plant".

Yours very truly,

Johndane

JL

(orig w/
new file)

FROM
John de la Rive
TO
New York

AMERICAN BANK NOTE COMPANY

RECEIVED



AMERICAN BANK NOTE COMPANY.

SUBJECT

PROPOSED ARGENTINE PLANT

New York

to

Rio de Janeiro

DATE February 6, 1929.

From your letter of January 14th we note that the development of this organization is not progressing very rapidly.

We thank you for sending us a counterfeit of the 10 pesos note which we are glad to have in our files for reference.

Yours very truly,

Asst. Manager Foreign Department

sh1/sd

OTHER COPY IN

PACKET D&W. files

AMERICAN BANK NOTE COMPANY.

SUBJECT

ESTABLISHMENT OF A CENTRAL BANK IN ARGENTINA

New York

to

Rio de Janeiro

C.P.R.
JAN -8 1931

DATE January 6, 1931.

We thought you would be interested in reading an article from the New York Times of yesterday, and enclose it herewith.

It occurs to us that since they are talking of currency reform it might be possible that this would prove a good time for further solicitation of their notes. It would seem as though this might also be a good time for Dr. Miguel Pineiro-Sorondo to show what he can do.

Yours very truly,

Manager Foreign Department.

FWG/IW

OTHER COPY IN

PACKET 593 Sub
agencies

N.Y. Times 1/5/31

C.P.R.
JAN -8 1931

FINANCIAL

ARGENTINA PLANS CURRENCY REFORM

Provisional Regime Considers
Central Bank System to
Uphold Peso.

TO REORGANIZE FINANCES

President Uriburu Hopes to Refund
Floating Debt Easily After
Present Slump Ends.

Special Cable to THE NEW YORK TIMES.

BUENOS AIRES, Jan. 4.—The provisional government is studying a project for a complete reform of Argentina's financial structure, including the abolition of the Caja de Conversion [Gold Conversion Office] and establishment of a central bank and a new currency system. The central bank will be the bank of issue and also a discount bank, operating similarly to the Federal Reserve Bank, giving much-needed elasticity to the currency.

President Uriburu and financial experts associated with him in the provisional government are convinced that the present monetary system has failed and that the country needs a new system. At present Argentine money is based on gold accumulated in the Gold Conversion Office, instead of on the country's vast wealth, as would be the case under the proposed central bank system.

The Gold Conversion Office was established in 1890 to prevent violent fluctuations in Argentine exchange. Practice has shown that, while it efficiently kept Argentine exchange rates from going above par, it has been useless in preventing declines.

The Conversion Office was closed at the beginning of the World War to prevent withdrawal of Argentina's gold reserves, but former President Alvear reopened it in 1927. Former President Irigoyen closed it again in December, 1929, because the exchange value of the Argentine peso had declined to a point where it was cheaper to ship gold than to buy drafts. Dollars were quoted at 106.80

gold pesos for \$100, on the afternoon Señor Irigoyen closed the Conversion Office. Quotations opened the next morning at 116, and the peso has been declining ever since. It has now reached the unprecedented quotation of 141.24 to the \$100, which makes the peso worth 31 United States cents, as compared with its par value of 42.46.

The provisional government realizes that no monetary reform can be undertaken until the Republic's finances are put on a saner basis and that is one reason General Uriburu insists that this year's budget must be kept within the estimated revenues. As an example of the economies he is forcing on the various branches of the administration may be cited the curtailment of expenditures of the custom house from 20,000,000 to 11,000,000 pesos or from \$8,492,000 to \$4,690,000.

Another problem which must be solved before monetary reform is undertaken is the funding of the floating debt of 1,200,000,000 pesos or \$509,520,000. General Uriburu is confident, however, that at least part of this amount can be floated in New York and London when the present stringency has passed.

The first attempted operation would be the sale of thirty-two-year public works bonds authorized by Congress some time ago, but which Señor Irigoyen did not attempt to negotiate. He borrowed from the Bank of the Nation and floated short-time credits abroad to cover the work for which the bonds were authorized.

Whether new currency will be created with the value of the present peso depends largely on the success which meets the provisional government's program for halting the decline and restoring the peso to par value. The details of this program have not been announced, but are expected soon. General Uriburu considers that the most pressing problem is to prevent further declines in the peso, halting it at the present rate if it proves impossible to bring it back closer to par.

AMERICAN BANK NOTE COMPANY.

SUBJECT CENTRAL BANK in ARGENTINA

C.P.R.

FEB 18 1931

Rio de Janeiro

TO

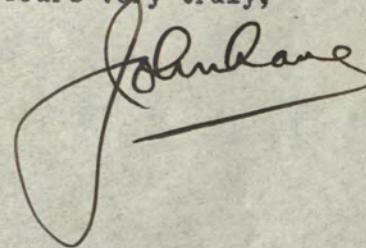
New York

DATE January 30 1931

I have your letter of January 6th, enclosing a clipping from the New York Times of January 5th. I have written Dr. Miguel Piñeiro Sorondo asking him to investigate. I have also suggested, in case the printing of notes outside the Argentine be improbable, that he take up again the plan to set up a plant in Buenos Aires along the lines of our proposal several years ago.

The President of the Caja de Conversión, Dr. Nicolás A. Avellaneda, is now on his way to Europe to study the latest improvements and methods for printing bank notes. If he goes to England, he may possibly visit B.W.&Co.

Yours very truly,



JL

OTHER COPY IN

PACKET

593 Sub
agencias

FOREIGN DEPT.
A. B. N. CO.

RECEIVED

FEB 16 1931

2

AMERICAN BANK NOTE COMPANY.

SUBJECT

C.P.R.

FEB 18 1931 CENTRAL BANK, Argentina.

New York

to

Rio de Janeiro

DATE February 16, 1931.

We note from your letter of January 30th that you have written to Dr. Miguel Piñeiro Sorondo in connection with this affair.

We were also glad to learn of the fact that the President of the Caja de Conversión was on his way to Europe to study the latest improvements and methods for printing bank notes, and have advised B.W. so that they may be on the lookout for him.

We have also advised Mr. Claudet in Paris.

Yours very truly,

Manager Foreign Department.

FWG/IW

OTHER COPY IN

PACKET

593

*Sub
agencies*

PARIS

C.P.R.
FEB 18 1931

CENTRAL BANK, Argentina.

February 16, 1931.

We sent a clipping from the New York Times some time ago to Mr. John Lane, Rio, regarding the above mentioned proposition. In reply he writes that he communicated with Dr. Miguel Piñeiro Sorondo asking him to investigate the report.

He also tells us that the President of the Caja de Conversión, Dr. Nicolás A. Avellaneda, is now on his way to Europe to study the latest improvements and methods for printing bank notes.

Perhaps it would be well to keep an eye out for him and meet the gentleman, if possible.

Unquestionably Mr. Claudet would enjoy talking to him on the subject of bank note establishments.

Yours very truly,

Manager Foreign Department.

FWG/IW

OTHER COPY IN
PACKET 1138

C. P. R.
FEB 18 1931

February 16, 1931.

Some time ago it was reported that there was some idea of establishing a Central Bank of Issue in the Argentine. We sent newspaper clippings of this report to our Mr. John Lane, who travels in the Argentine, and he, in turn, has written to a friend of his to have the matter investigated.

In reply to us he says he learns that the President of the Caja de Conversión, Dr. Nicolás A. Avellaneda, is now on his way to Europe to study the latest improvements and methods for printing bank notes.

We thought you might be interested in meeting this gentleman, should he go to England, and would take pleasure in trying to convince him of the fallacy of government printing plants.

We have also written Mr. Claudet, in Paris, regarding this.

FWG/IW

OTHER COPY IN

PACKET #7

Bradbury, Wilkinson & Co., Ltd.

D.E.W.

London

Subject CENTRAL BANK in ARGENTINE.

MAR -4 1932

to

New York

C.R.A.
MAR -4 1931

Date 23rd February, 1931.

We are in receipt of your letter of the 16th February, in reference to Dr. Nicolás A. Avellaneda. We may say that we have just received a letter from our Representatives in Buenos Aires, Messrs. Leng, Roberts & Co., advising us that they have given this gentleman a letter of introduction to us. They do not mention, however, anything about a Central Bank of Issue. We understand that this gentleman was due to arrive at Genoa last week, and that he would reach England by easy stages. We will most assuredly do everything we can to get in touch with him, and will try to convince him of the fallacy of government printing plants, as suggested in the last paragraph of your memo. under reply.

H.W.

W.W.

gabriel

THE
SCHOOL

Bishopry Mission Co., Ltd.

also you well

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AMERICAN BANK NOTE COMPANY

SUBJECT CENTRAL BANK, Argentina

TO NEW YORK FROM PARIS

C. P. Y.
MAR -4-31

DATE

February 24, 1931

Paris

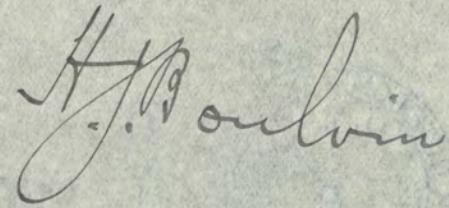
to

New York

We received your letter of February 16th and having enquired as to the whereabouts of Dr. Avellaneda, we learned that he is at present sojourning in Davos, Switzerland.

We shall try to get into touch with this gentleman when he comes to Paris.

Yours very truly



HJB/G

REGD MAIL

OTHER COPY IN

PACKET 1138

AMERICAN BANK NOTE COMPANY

FOREIGN DEPT.
A.B.N.C.O.

A



M

MAR -4 1931

RECEIVED



MAR -4 1931

C. I. R.
SIXTH COPY
DEC 16 1932
From Washington file

file

Buenos Aires, July 2, 1931.

Dr. Nicolas Avellaneda has returned from a trip to France and Italy, where he has been investigating the manufacture of paper money with a view to renewing the circulating medium of the Argentine. Dr. Avellaneda stated that the Caja de Conversion burns an average of eight million bank notes a month, which makes about 100,000,000 bank notes returning automatically into circulation in the form of new bills per year. No announcement is made as to particulars for the renewing of the currency.

C.P.
SIXTH
DEC 16 1932
(from Washington files)

DEPARTMENT OF COMMERCE

BUREAU OF FOREIGN AND DOMESTIC COMMERCE

WASHINGTON

file

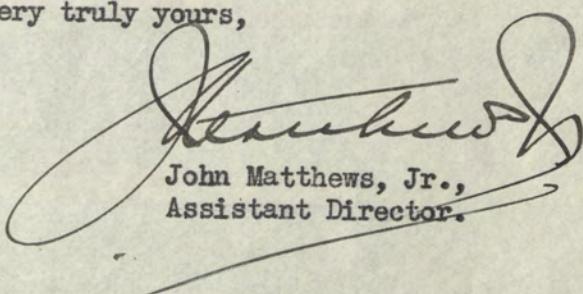
August 4, 1931.

Mr. Joseph H. Bagley,
American Bank Note Company,
1710 H Street, N. W.,
Washington, D. C.

Dear Mr. Bagley:

In accordance with our 'phone conversation, I am inclosing
copy of the note regarding the Argentine paper money situation.

Very truly yours,


John Matthews, Jr.,
Assistant Director.

Inclosure.

C.P.R.
FEB 15 1932AMERICAN BANK NOTE CO.
FOREIGN SALES DEPARTMENTC 9540
FEB 11 1932

ORDER SPECIFICATION

Date February 10, 1932.

Republica Argentina
Buenos Aires.

Cancel the following dies as per impressions herewith :-

2 pesos back-die)
 5 " " " (altered from Banco Nacional
 10 " " ") de Buenos Aires).
which see

Furnish one certificate of cancellation for our files.

Authority for Order Memo. from Mr. H. R. Treadwell, V.P.
dated Nov. 23, 1931.

Billing Instructions

Price No charge.

Shipping Instructions

filed in #1127

S.H.H.

RECEIVED
FEB 10 1932
FEB 11 1932

MANAGER OF FOREIGN SALES

CANCELLATION MEMORANDUM FROM
ENGRAVING ORDER DEPARTMENT

F-9540

WE HAVE THIS DAY CANCELLED THE FOLLOWING PLATES:

P. R.

MAR - 2 1932

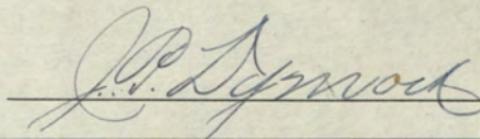
REPUBLICA ARGENTINA

2 Pesos Back Die	2,
5 " " "	5,
10 " " "	10,

Entered on order
3/2/32
Ea.

DATE

Feb. 29, 1932.



MANAGER



MAP-21032

Sept. 5, 1932

extract from J.Lane letter orig. filed in #575 bank note pkty

re : firm of P. Miliani having been taken over by the
Italian Government, etc

"There is a report that Portals lost the recent contract to supply
the Caja de Conversion, Buenos Aires" with note paper, to Miliani."

COPY

R I O

AMERICAN BANK NOTE COMPANY

COMPETITORS
De la Rue & Co.

September 17, 1932

I have your letters of August 24th and 26th.

In connection with the above firm and the reconditioning of the Casa da Moeda, etc., I have been informed that letters, submitting offers, were signed by a Mr. Lee. In one letter to the Minister, he asked for a prompt reply as he had to leave for Buenos Aires to sign a contract with the Argentine Government. Later it was found out that De la Rue had signed no contract with the Government. What Mr. Lee probably meant was that he intended to sign a contract there for supplying Portals paper to the Caja de Conversion as the five year contract of 1928 was expiring. However, I understand that Miliani obtained the contract.

In De la Rue's proposal for reconditioning the Casa da Moeda, there was a stipulation that they would have the privilege, during 20 years, of supplying all materials - accessories, repair parts, inks, plates, etc. and paper. This may explain why Sir Robert Johnson found their price of £50000 so modest.

It would seem that Portals, at least in South America, have linked up with De la Rue, as the best means at their disposal, to sell note paper.

De la Rue have announced that they, Portals and Miliani are one and the same, practically. However, that is no longer true since the Italian Government bought out Portals' interest and, for use in Italy, patent rights on certain types of printing machinery owned by De la Rue. I am told that De la Rue attempted to reserve certain remunerative privileges in ceding the patent rights. When the Italian Government commenced negotiations with some German firms, De la Rue climbed down. De la Rue does not manufacture the machinery.

Yours very truly

JL

(sgd.) JOHN LANE

(New York)

Oct. 4, 1932

extract from our letter to J. Lane..... filing-copy in #575 Bank Note pkct

"We were especially interested in your advice that Portals has lost the recent contract to supply the Caja de Conversion, Buenos Aires, with note paper to Miliani. If you should secure any further information we would be glad to have it."

BOND

DAVISON

NAVY BOND

April 4, 1933

from above date, on

see packet : BANCO CENTRAL de la REPUBLICA ARGENTINA, #1719